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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/826,848	04/16/2004	Tsutomu Orii	500615.20221	2079
26418	7590	03/09/2005	EXAMINER	
REED SMITH, LLP ATTN: PATENT RECORDS DEPARTMENT 599 LEXINGTON AVENUE, 29TH FLOOR NEW YORK, NY 10022-7650			CAPUTO, LISA M	
			ART UNIT	PAPER NUMBER
			2876	

DATE MAILED: 03/09/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

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<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>	
	10/826,848	ORII	
	<b>Examiner</b>	<b>Art Unit</b>	
	Lisa M. Caputo	2876	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☐ Responsive to communication(s) filed on \_\_\_\_.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-11 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-11 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 16 April 2004 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☒ All    b) ☐ Some \*    c) ☐ None of:
1. ☒ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. ____. |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date ____. | 6) <input type="checkbox"/> Other: ____.  |

## **DETAILED ACTION**

### ***Drawings***

1. Figures 5-6 should be designated by a legend such as --Prior Art-- because only that which is old is illustrated. See MPEP § 608.02(g). Corrected drawings in compliance with 37 CFR 1.121(d) are required in reply to the Office action to avoid abandonment of the application. The replacement sheet(s) should be labeled "Replacement Sheet" in the page header (as per 37 CFR 1.84(c)) so as not to obstruct any portion of the drawing figures. If the changes are not accepted by the examiner, the applicant will be notified and informed of any required corrective action in the next Office action. The objection to the drawings will not be held in abeyance.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. Claims 1-11 are rejected under 35 U.S.C. 103(a) as being unpatentable over Watabe et al. (U.S. Patent No. 4,847,475, from hereinafter "Watabe") in view of Kelsey (U.S. Patent No. 5,907,142).

Watabe teaches a read/write apparatus for a magnetic card. Regarding claims 1-2 and 7-9, Watabe discloses a card reader (1), and method for using the card reader, that takes in a card (C) having a magnetic stripe at a card insertion port (insertion slit 5) and reads data recorded on the stripe by a magnetic head (magnetic head 30), wherein

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the read data is saved. A timer (T1) is also disclosed (see Figures 1-2, col 5, line 65 to col 7 line 65). Further, regarding claims 9-11, Watabe teaches that there is a memory that stores the data and a processing circuit operable to edit and transmit the stored data to a higher level device upon authorization when it is taught that according to another aspect of the present invention, there is provided a read/write apparatus for magnetic card, which is adapted to be connected to an external information processing unit which generates a processing completion signal each time information processing based upon the information read from an inserted magnetic card is completed for execution of a single sales operation. The apparatus, by means of read/write means, reads information from and writes same on the magnetic card being conveyed by conveyance means, and causes the information read from the magnetic card to be stored in memory means. Furthermore, the read/write apparatus comprises: additional-card insertion selection means which is operable by a customer to generate a selection representing that a plurality of magnetic cards are usable for a single sales operation; and control means for controlling the conveyance means, the read/write means, and the memory means in response to the selection signal and the processing completion signal. The apparatus operates to cause the magnetic card to be conveyed to the outside upon generation of the selection signal, and cause the sum of information read out from an additional magnetic card inserted subsequently and the information stored in the memory means to be stored in the same memory means. When the processing completion signal is generated, a balance is written on the magnetic card, and then the magnetic card is conveyed outside the read/write apparatus. As a result, a sales

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operation is permitted so long as the sales price is equal to or less than the sum of the balances of a plurality of magnetic cards inserted (see col 2, lines 20-52).

Regarding claims 1-2 and 7-9, Watabe fails to specifically teach that the timer is started after the data is saved, and that the saved data is made unavailable for reading after a given time elapses.

Kelsey teaches a fraud resistant personally activated transaction card. Kelsey discloses that FIG. 1 represents the functional circuit components of a standard size transaction card of the present invention. A transaction card 12 is provided with an optional solar cell 16 and a thin battery 14 power source which extends power to an enter key 26, a numeric keypad 22, a cancel key 28, and an electrical microprocessor 24. Optional power regulator 18 may be provided between the components and the power sources 14,16. After enter key 26 is pressed, microprocessor 24 is ready to receive card activation number from numeric keypad 22. After a card activation number is entered by pressing the correct sequence on numeric keypad 22, the microprocessor 24 receives the number and activates a display light 30. A retailer or other party accepting the card may then note that the display light has been lit, indicating that the correct card activation number has been used. This helps to verify that the person using the card is the rightful cardholder. Upon completion of point-of-sale transaction, the cardholder deactivates the display light 30 by pressing the cancel key 28. Optionally, to prevent accidental de-activation, the cardholder may be required to de-activate the card by pressing the card activation number in the correct sequence on the numeric keypad 22, after pressing the cancel key 28. Also contained within microprocessor 24 is an

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optional timer which automatically deactivates the transaction card 12 after a specified period of time. This will protect the cardholder in the case that the cardholder forgets to press the cancel key 28. Power for the credit or debit card 12 is supplied by a thin battery 14 and a solar cell 16. Solar cell 16 provides a direct source of power and additionally recharges the thin battery 14. Magnetic stripe 32 as commonly used in credit and debit cards stores information which can be read by point-of-sale card readers, automatic tellers and the like. Another embodiment of the present invention is schematically illustrated in FIG. 3a and cross-sectionally in FIG. 3b. In this form the invention contains, in place of display light 30, a liquid crystal display 34. In addition, a timer 20 is placed between and connected to both thin battery 14, solar cell 16, and microprocessor 24. In this embodiment the invention is again activated by pressing enter key 26, then the correct card activation number on numeric keypad 22, which information is received by microprocessor 24. But, instead of activating display light 30 as in the earlier embodiment, microprocessor 24 activates liquid crystal display 34 (see Figures 1-3b, col 4 line 60 to col 5 line 40). Hence, Kelsey teaches that a timer is set after data is saved in a transaction and that this data read from the magnetic stripe of the card is unavailable for reading after a given time elapses.

In view of the teaching of Kelsey, it would have been obvious to one of ordinary skill in the art at the time the invention was made to employ a timer that is able to block data from being available after a given time elapses because this is an important safety feature that allows for protection of a card and its user. This is favorable because if the card is left vulnerable too long the information on it may be stolen and used for

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fraudulent purposes. Even though Kelsey teaches a stand-alone magnetic transaction card, and Watabe teaches a card reader for the card, the Kelsey reference is relevant and appropriate to combine with Watabe because Kelsey is teaching a timing limitation that was not taught in Watabe. Both references teach magnetic stripe card transactional information and teach that data is obtained from the cards.

Regarding claims 3-6, Watabe fails to teach that the data saved is deleted after the given time elapses, and that a flag which makes data saved available for reading is turned off after a given time elapses, making the data unavailable.

Kelsey teaches that also contained within microprocessor 24 is an optional timer which automatically deactivates the transaction card 12 after a specified period of time. This will protect the cardholder in the case that the cardholder forgets to press the cancel key 28 (see col 5, lines 15-20). Hence, Kelsey teaches that the card is deactivated and power is lost, which equates to the data being deleted. It would have been obvious to one of ordinary skill in the art at the time the invention was made to also turn off an indication flag that had stated the data was available since this is an equivalent means to make the data unavailable.

In view of the teaching of Kelsey, it would have been obvious to one of ordinary skill in the art at the time the invention was made to employ a means to delete the data, or switch a flag indication as a security measure to protect the data in the card from misuse.

### ***Conclusion***

3. Any inquiry concerning this communication or earlier communications from the examiner should be directed to ***Lisa M. Caputo*** whose telephone number is **(571) 272-**

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**2388.** The examiner can normally be reached between the hours of 8:30AM to 5:00PM Monday through Friday. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Michael G. Lee can be reached at **(571) 272-**

**2398.** The fax phone number for this Group is (703) 872-9306.

Communications via Internet e-mail regarding this application, other than those under 35 U.S.C. 132 or which otherwise require a signature, may be used by the applicant and should be addressed to [[lisa.caputo@uspto.gov](mailto:lisa.caputo@uspto.gov)].

*All Internet e-mail communications will be made of record in the application file. PTO employees do not engage in Internet communications where there exists a possibility that sensitive information could be identified or exchanged unless the record includes a properly signed express waiver of the confidentiality requirements of 35 U.S.C. 122. This is more clearly set forth in the Interim Internet Usage Policy published in the Official Gazette of the Patent and Trademark on February 25, 1997 at 1195 OG 89.*

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

  
LMC

March 7, 2005



**THIEN M. LE  
PRIMARY EXAMINER**